

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

28 DEC 1973

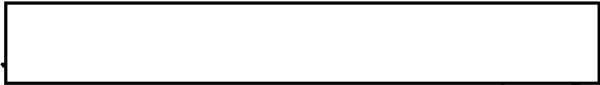
MEMORANDUM FOR: PM/SAS - Robert T. Grey

SUBJECT : GAO Draft Report: Completeness of
Expenditures Reported for Laos under
the Legislative Dollar Ceiling

In response to your memorandum of 13 December 1973, Subject as above, attached is a memorandum setting forth this Agency's views on the GAO draft report.

This Agency considers dollar figures for CIA expenditures and the purpose of these expenditures to be classified SECRET; therefore, pages 3, 8, 9, 18, and 19, which contain specific figures related to CIA expenditures, must remain classified at the SECRET level. If the figures are deleted, these pages may be declassified.

FOR THE DEPUTY DIRECTOR FOR OPERATIONS:


Theodore G. Shackley

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Attachment: As stated

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28 DEC 1973

SUBJECT: Central Intelligence Agency's Comments on GAO
Draft Report: Completeness of Expenditures
reported for Laos under the Legislative Dollar
Ceiling

This Agency considers the GAO draft to present an accurate reflection on the problems of developing a comprehensive report to Congress on assistance-related expenditures for Laos. We would, however, note our objection to the statements in the body of the report at pages 10 and 19 characterizing CIA intelligence operation costs as being considered "normal" embassy costs. Expenses incurred for normal intelligence collection programs were excluded because they were vital non-assistance-related activities which must be carried on irrespective of assistance-related operations in Laos. The reference to normal and usual expenses of an embassy was merely an example of the type of programs which the conferees had in mind. Therefore, we would suggest that the statements be re-phrased to indicate that normal intelligence costs were not reported under the ceiling because they were vital non-assistance-related activities.

We concur in the GAO recommendations with the exception of the recommendation that "the Secretary of State inform Congress of the type and estimated amount of expenditures which the Agency believes are not within the reportable categories required by legislation." It is this Agency's position that the report submitted was in accordance with the then existing legislation and that there is no requirement for expanded reporting. Since this Agency reports directly to the Armed Services and Appropriations Committees of the House and Senate, the proper elements of the Congress are in fact continually informed with respect to our programs which are not within reportable categories required by legislation pertaining to assistance-related expenditures.

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TO : PM/SAS - Robert T. Grey (Department of State)

SUBJECT: GAO Draft Report: Completeness of Expenditures reported for
Laos under the Legislative Dollar Ceiling

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CONCUR:

28 DEC 1973

Office of General Counsel

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28 DEC 1973

Office of Legislative Counsel

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Orig - Addressee via LDX

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(27 December 1973)

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